December 13, 2002

Marlene H. Dortch
Secretary
Federal Communications Commission
TW-A325
445 Twelfth St., SW
Washington, DC 20554

Re: *Ex parte* presentation in 02-277

Dear Ms. Dortch:

On December 6, 2002, Jenny Toomey, Kristin Thompson, Peter DiCola and Michael Bracy of the Future of Music Coalition ("FMC") and Cheryl Leanza of Media Access Project held meetings with the following Commission staff: Mania Baghdadi, Tim May, Paul Gallant, George Williams, Nandan Joshi, Roger Holberg and Dan Bring of the Media Bureau; Commissioner Copps, and Jordan Goldstein, Paul Margie, and Alex Johns of his office; Stacey Robinson of Commissioner Abernathy's office, Sarah Whitesell of Commissioner Adelstein's office, and Catherine Bohigian of Commissioner Martin's office.

During these meetings we highlighted information presented in the Future of Music Coalistion's recent study *Radio Deregulation: Has It Served Citizens and Musicians*, which has already been submitted in full in this docket. In particular, we highlighted graphs from the report that demonstrated the following:

- Four companies control more than 50% of radio industry revenue and ten companies control 67% of the industry's revenue. (*Radio Deregulation*, p. 27).
- Concentration is prevalent in almost every local market. For example in four of the top 10 local markets, four companies control 80-90% of the revenue. (*Radio Deregulation*, p. 34). In small markets like New Orleans, LA, four companies control 90% of the revenue.
- Radio formats with different names do not necessarily contain different content. For example, 38 of 50 songs, or 76%, are the same in two formats– CHR Rhythmic and Urban. (*Radio Deregulation*, p. 56-58).
- Each format is also an oligopoly. More than 50% of each format is controlled by four or fewer companies. (*Radio Deregulation*, p. 62).

We explained that regional hits are largely eliminated under consolidated radio ownership, thus depriving local musicians from the opportunity to reach local audiences and depriving audiences access to their local culture. We also emphasized that Commission theories that owners of multiple radio stations will counter program their stations is not borne out by the evidence. Preliminary evidence in the FMC study, and information presented another study (by Waldfogel and Berry cited in *Radio Deregulation* at 55, n.3) show that owners of multiple outlets program their stations in similar, adjacent formats. Finally, we explained that the Commission must take strong action to give the public access to data about the media industry. The FMC study took one year,

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relied on volunteer labor, and was produced using many uncompensated hours, and cost $100,000. This type of effort is not possible for most non-profit organizations and not possible for every issue raised in the FCC's Biennial Review proceeding. Several questions propounded by FCC staff are not answerable by FMC because it cannot afford access to the data necessary to answer these questions.

Pursuant to Section 1.1206(b), 47 C.F.R. § 1.1206, this letter is being filed electronically with your office today. The timely filing of this letter was delayed by illness of counsel and inclement weather.

Sincerely,

Cheryl A. Leanza
Deputy Director